

Message Text

UNCLASSIFIED

PAGE 01 CAIRO 13266 101040Z

ACTION EB-08

INFO OCT-01 NEA-10 IO-14 ISO-00 AGRE-00 CEA-01 CIAE-00

DODE-00 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-02 AID-05 SS-15 STR-04 ITC-01

TRSE-00 USIA-15 PRS-01 SP-02 FEAE-00 OMB-01 XMB-04

OPIC-06 /117 W

-----067942 101442Z /45

R 100925Z AUG 77

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 8153

INFO AMCONSUL ALEXANDRIA

USMISSION GENEVA

USDOC WASHDC

UNCLAS CAIRO 13266

E.O. 11652: N/A

TAGS: ETRD, BEXP, EG

SUBJECT: PROFIT MARGINS ON IMPORTED COMMODITIES

1. AUGUST 7 CAIRO PRESS REPORTS ANNOUNCEMENT BY MINISTER OF TRADE AND SUPPLY THAT IMPLEMENTATION OF RECENT MINISTERIAL DECREE LIMITING PROFITS ON IMPORTED COMMODITIES TO 30 PERCENT WILL BE POSTPONED PENDING CONCLUSION OF STUDIES BY GROUPS REPRESENTING LOCAL MERCHANTS.

2. ORDER RESTRICTING PROFITS ON IMPORTS HAD BEEN ISSUED EARLIER IN YEAR, PRESUMABLY IN EFFORT TO PROTECT CONSUMER AGAINST PRICE GOUGING. HOWEVER, DECISION RAN INTO STORM OF PROTEST BY INDIVIDUAL MERCHANTS AS WELL AS BY FEDERATION OF CHAMBERS OF COMMERCE, AND ITS EFFECTIVE DATA HAS BEEN POSTPONED SEVERAL TIMES.

3. MERCHANTS OBVIOUSLY WOULD PREFER NOT TO SEE THEIR OFTEN-SUBSTANTIAL MARGINS RESTRICTED. BUT EVEN IF WILLING ACCEPT SOME CURBS, THEY ARE OPPOSED TO CONCEPT OF APPLYING ACROSS-THE-BOARD, TO

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 CAIRO 13266 101040Z

ALL GOODS, A SPECIFIC PERCENTAGE LIMITATION ON PROFITS. IF, AS DECREE APPARENTLY SUGGESTS, "PROFITS" ARE TO BE CALCULATED ON BASIS OF DIFFERENCE BETWEEN LANDED COST (INVOICE PRICE, C.I.F., PLUS CUSTOMS AND FEES) AND RETAIL PRICE, "UNFAIRNESS" OF PERCENTAGE LIMITATION BECOMES, TRADE CONTACTS BELIEVE, QUITE APPARENT. EVERY COMMODITY HAS ITS OWN VARIABLES, MERCHANTS ARGUE, INCLUDING TRANSPORTATION, HANDLING, AND INCIDENTAL

COSTS; NUMBER OF LINKS IN DISTRIBUTION CHAIN; AND CUSTOMARY PRACTICES AMONG DEALERS. VOLUME IS OBVIOUSLY A MAJOR CONSIDERATION AS WELL.

4. MINISTTRY OF TRADE CONTINUES PROFESS ADHERENCE TO PRINCIPLE OF LIMITING PROFITS ON IMPORTS--A POLICY APPLAUDED, AT EAST IN SHORT RUN, BY CONSUMERS AT LARGE. IT IS POLICY WHICH SHOULD ALSO FIND FAVOR WITH THOSE WHO, ON VARIOUS GROUNDS, WISH STEM TIDE OF FOREIGN GOODS FLOWING INTO COUNTRY, ALTHOUGH WE HAVE NO EVIDENCE THAT PURPOSE OF PROFIT LIMITATION PROPOSALS WAS TO REDUCE OVERALL LEVEL OF IMPORTS. FOR THE MOMENT, IN ANY EVENT, COMMERCIAL SECTOR OPPOSITION APPEARS TO HAVE STALLED GOE MOVE TOWARD IMPOSING PROFIT RESTRICTIONS.

EILTS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PROFITS, COMMODITIES, TRADE CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CAIRO13266
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770287-1242
Format: TEL
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770878/aaaacocs.tel
Line Count: 76
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 01d4305d-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 26-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1651570
Secure: OPEN
Status: NATIVE
Subject: PROFIT MARGINS ON IMPORTED COMMODITIES
TAGS: ETRD, BEXP, EG
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/01d4305d-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009